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No. 1.

INFORMATION FOR THE ELECTORS.

Electoral Pamphlets numbered 1 to 15 RECIPROCITY NEGOTIATIONS.

THE POSITION OF CANADA

AND OF

THE LIBERAL-CONSERVATIVE GOVERNMENT.

The history of Reciprocity negotiations, proffers, laws and reports shows that Canada has always been favourable towards fair and friendly trade relations with the United States—always providing that these relations were not unfavourable to the interests of Great Britain or to the rapidly developing industries of this country.

The following memorandum will set forth with all convenient detail the various offers that have been made, and the acts and reports that have been provided relating to the subject.

In 1847 an address was moved in the Legislative Assembly of Canada praying that negotiations would be entered into with the Government of the United States to procure the admission of Canadian products for consumption in their markets on the same terms as the products of the United States are admitted for consumption into Canada, that perfect reciprocity may be established between the two countries.—Journals of Legislative Assembly, 1847, p. 16.

The address which was passed in 1847 contained these words :

" We would further remind Your Majesty that while in compliance with the recommendation of the Imperial Parliament we have passed a law repealing all duty on American produce coming through our country for exportation, no similar advantage is accorded by the American Government to the people of this Province, **but that duties amounting in most cases to prohibition are vigorously maintained by that Government on every article of ours entering into their ports.**"—Journals 1847, p. 175.

In this same year old Canada passed a law reducing rates of import duties on United States products from $12\frac{1}{2}$ to $7\frac{1}{2}$ per cent. and raising the rate upon British imports from 5 per cent. to $7\frac{1}{2}$ per cent. This measure was passed relying upon the supposed willingness of the United States to negotiate a fair measure of reciprocity between the two countries. It gave an immense advantage to the exporters of the United States, but no corresponding legislation was enacted by that country, nor was Reciprocity granted.

In 1849 an Act was passed enacting "that whenever under any law of the United States of America the articles enumerated in the schedule to this act annexed, being the growth or production of this Province, shall be admitted free of duty into the said United States of America, then similar articles being the growth or production of the said United States, shall be admitted into this Province free of duty when imported direct from the United States." *Act 12 Vic., ch. 3.*

The articles mentioned were: "Grain and breadstuffs of all kinds, vegetables, fruits, seeds, animals, hides, wool, butter, cheese, tallow, hams, salted and fresh meats, ores of all kinds of metals, ashes, timber, staves, wood and lumber of all kinds."

The Administration of the United States favoured the adoption of a similar bill in Congress; such a bill was reported by the Committee of Commerce and passed by the House of Representatives, but failed of consideration in the Senate in both 1848 and 1849.

In 1850 Sir Francis Hincks visited Washington on behalf of the Canadian provinces and addressed an able letter to the Chair-

man of the Committee of Commerce in favour of the adoption of a measure of Reciprocity on the basis followed by the Canadian Act of 1849. His efforts failed, and the United States Senate refused to act.

In 1854, after much correspondence, a Treaty of Reciprocity was at length negotiated. The United States had found that the protection given to our rights in the fisheries of the Atlantic Coast was pressing very heavily on their fishermen, and at length consented to a treaty.

Under this treaty the following articles were declared free in both countries, and the treaty was to continue in force for ten years:—

SCHEDULE.

Grain, flour, and breadstuffs of all kinds.
 Animals of all kinds.
 Fresh, smoked and salted meats.
 Cotton, wool, seeds and vegetables.
 Undried fruits; dried fruits.
 Fish of all kinds.
 Products of fish and of all other creatures living in the water.
 Poultry.
 Eggs.
 Hides, furs, skins or tails undressed.
 Stone or marble in its crude or unwrought state.
 Slate.
 Butter, cheese, tallow.
 Lard, horns, manure.
 Ores of metals of all kinds.
 Coal.
 Pitch, tar, turpentine, ashes.
 Timber and lumber of all kinds, round, hewed and sawed, unmanufactured in whole or in part.
 Firewood.
 Plants, shrubs and trees.
 Pelts, wool.
 Fish-oil.
 Rice, broom-corn and bark.
 Gypsum, ground or unground.
 Hewn, or wrought or unwrought burr or grindstones.
 Dye stuffs.
 Flax, hemp and tow, unmanufactured.
 Unmanufactured tobacco.
 Rags.

Scarcely had the Treaty been put into operation when agitations began in the U.S. for its amendment or abrogation. The border cities complained that their manufactured goods met an import duty at the Canadian frontier, that Canadian duties on manufactures were raised from 15 to 20 p.c., that Gaspé and Sault St. Marie were made free ports, that the treaty was unequal in its working, and that it should be abrogated. This, in the face of the fact that manufactured goods were excluded by express words from the operation of the treaty, that U.S. duties on manufactured goods imported from Canada were higher than Canadian duties on like articles and were raised by the Morrill Tariff, that consular fees were imposed for proof of origin of free goods, and that the U.S. used no effort to obtain free use of the State canals for Canadian vessels. The agitation was taken up by the Legislature of N.Y. State and pressed upon Congress by the resolution of both houses of that body. All this had its effect.

In 1865 notice of the abrogation of the treaty of 1854 was given by the United States; but neither Great Britain nor Canada abandoned the friendly attitude they had always taken.

When the notice of the abrogation of the treaty of 1854 was given on March 17th, 1865, by Mr. C. F. Adams, in London, to Lord John Russell, the British Minister was disposed to think that the Government of the United States was not serious, so great a body of commercial opinion in the United States seemed favorable to the continuance of the treaty. But the politicians were more active than the merchants, and Consul Wilkins, in a report of Sep. 7, 1865, said that at the Detroit convention the New York delegates "had been well educated in the school of opposition. On behalf of the latter it was urged that no treaty should be made with an unfriendly people and hints were thrown out that the annexation of Canada to the United States must follow the abrogation of the treaty." He also says that he found at the Board of Trade of St. Louis "a bitterness against Canada very general." Notwithstanding this unfriendly feeling the British Government and the Canadian Government joined in a friendly endeavour to secure a renewal of the treaty.

In 1865, Sir Alex. Galt and Hon. H. P. Howland from Canada, Hon. W. A. Henry, from Nova Scotia, and Hon. A. J. Smith,

from New Brunswick, were sent by their respective Governments to Washington to co-operate with Sir F. Bruce, in a friendly attempt at negotiation for a renewal of the treaty of 1854. These gentlemen found "that no renewal or extension of that existing treaty would be made by the American authorities, but that whatever was done must be done by legislation"—English Parliamentary Papers, 1866-76.

Nevertheless, though not strongly of opinion that uniformity of reciprocal legislation could be obtained from so many different legislatures, the delegates submitted a basis for legislation. The negotiations failed, owing to the unfriendly feeling in Congress, a result which Lord Clarendon, in a despatch to Sir F. Bruce, most sincerely deplored.—*Sessional Papers, Nova Scotia*, 1866.

By the Customs Act of 1868, section 6, certain enumerated articles, the growth of the United States were permitted to be imported into Canada from the United States "free of duty or at a less rate of duty than is provided in the said schedule, upon the proclamation of the Governor-in-Council, whenever the United States shall provide for the importation of similar articles from Canada into that country free of duty or at a less rate of duty than is now imposed on the importation from Canada of such articles into the United States."

This was an olive branch held out by Canada to the United States in spite of the hostile experiences of previous years.

In 1869 Sir John Rose was sent by the Canadian Government to Washington, and in conjunction with Sir Edward Thornton, proposed new negotiations with the consent and approval of the British Government of that time, for a reciprocity treaty based on the treaty of 1854, with the addition of manufactured articles to the free list, the mutual opening of the coasting trade, the protection of patents and copyrights, and a treaty of extradition. It was found impossible to make any propositions which the Americans would accept, and the negotiations fell through.

In 1871 during the session of the Joint Commission which framed the Washington Treaty, Sir John A. Macdonald, commissioner for Canada, and his colleagues the British commissioners, proposed,

"That the Reciprocal Treaty of 1854 should be restored in principle." The U.S. commissioners replied that

"The Treaty had proved unsatisfactory to the people of the U.S., and consequently had been terminated by notice from their Government in pursuance of its provisions. Its renewal would not be in their interest and would not be in accordance with the views of the people of the United States."

In 1872 the Government of Sir John Macdonald in response to a resolution of the Board of Trade of the Dominion, called attention to the fact "that both Her Majesty's Government and the Government of Canada have availed themselves of every suitable opportunity since the abrogation of the Reciprocity Treaty to press upon the Government of the United States the desirability of a renewal of reciprocal trade relations between the latter country and Canada upon a broad and liberal basis; and submits for the favorable consideration of Your Excellency in Council that the Dominion Board of Trade be informed that should the Government of the United States comply with the wishes of the United States National Board of Trade, the subject will receive the fullest consideration of the Government of Canada." *Canada Sess. Papers No. 40, 1873.*

(The United States National Board of Trade in 1872 had petitioned Congress for a renewal of reciprocal trade relations with Canada; and the Dominion Board of Trade had brought this fact to the notice of the Government of Canada.)

In 1874 George Brown, at the instance of the Mackenzie Government, which, by its Minute of Council, declared its belief, "That a most favorable opportunity was presented for renewal of negotiations for a reciprocity treaty," was sent as a commissioner to Washington, and in conjunction with Sir Edward Thornton, after a good deal of discussion, negotiated a draft treaty of reciprocity. But the President did not even allude to it by message, nor did the Senate of the United States, acting within the scope of its authority, ratify or even deign to discuss it.

The failure of George Brown's attempt in 1874 had such an effect on Mr. Mackenzie's Government that during the remainder of its term it made no further attempt in that direction. In 1875, when Mr. Wallace asked if the Government intended to renew negotiations, Mr. Mackenzie replied: "We will always be ready to negotiate for a reciprocity treaty with any nation."

In inaugurating the National Policy of 1879, which had become an essential part of public policy in Canada if we were to have any great national industries, the Government of Sir John Macdonald did not overlook their traditional good-will towards the United States and towards fair reciprocal relations.

Therefore the Customs Act of 1879, chapter 15, section 6, contained the following enactment :

"Any or all of the following articles, that is to say: Animals of all kinds, green fruit, hay, straw, bran, seeds of all kinds, vegetables (including potatoes and roots), plants, trees and shrubs, coal and coke, salt, hops, wheat, peas and beans, barley, rye, oats, Indian corn, buckwheat and all other grain, flour of wheat and flour of rye, Indian meal and oatmeal, and flour or meal of any other grain, butter, cheese, fish (salted or smoked), lard, tallow, meats (fresh, salted or smoked), and lumber, may be imported into Canada free of duty, or at less rate of duty than is provided by this act, upon proclamation of the Governor-in-Council, which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada."

In 1887, when Sir Charles Tupper was at Washington, he made a formal proposal once more to the Government of the United States, a copy of which is given here in full :—

[COPY.]

(36 A.)

Of the statement presented by the British Plenipotentiaries to the Fisheries Commission at Washington, in relation to reciprocal trade relations between Canada and the United States, and the answer of the American Plenipotentiaries thereto.

Sir Charles Tupper begged leave therefore formally to hand in the following proposal from the British Plenipotentiaries :—

That with the view of removing all cause of difference in connection with the fisheries, it is proposed by Her Majesty's Plenipotentiaries that the fishermen of both countries shall have all the privileges enjoyed during the existence of the Fishery Articles of the Treaty of Washington, in consideration of a mutual arrangement providing for greater freedom of commercial intercourse between the United States and Canada and Newfoundland.

MR. BAYARD'S REPLY:—

"While continuing their proposal heretofore submitted—on the 30th ult.—and fully sharing the desire of Her Britannic Majesty's plenipotentiaries to remove all causes of difference in connection with the fisheries, the American plenipotentiaries are constrained, after careful consideration, to decline to ask from the President authority requisite to consider the proposal, conveyed to them on the 3rd inst., as a means to the desired end; because the greater freedom of commercial intercourse so proposed would necessitate an adjustment of the present tariff of the United States by Congressional action, which adjustment the American plenipotentiaries consider to be manifestly impracticable of accomplishment through the medium of a treaty under the circumstances now existing.

"Nor could the American plenipotentiaries admit that such a mutual arrangement as is proposed by Her Britannic Majesty's plenipotentiaries could be accepted as constituting a suitable basis of negotiations concerning the rights and privileges claimed for American fishing vessels. It still appears to the American plenipotentiaries to be possible to find an adjustment of differences by agreeing on an interpretation or modification of the Treaty of 1818, which will be honorable to both parties and remove the present cause of complaint, to which end they are now, as they have been from the beginning of this conference, ready to devote themselves."

It will thus be seen that the position assumed by Canada has from the first been thoroughly consistent, and continuously favourable to the adoption and maintenance of a just and reasonable measure of reciprocity with the United States.

This has been shown:—

1. In the Act passed in 1849, in the Customs Enactments of statutory offences in 1868, 1879 and 1888, and in the speedy ratification by our Parliament of the treaties of 1854, 1871 and 1888.

2. In the repeated efforts made by Canada for the continuance of the old treaty of 1854, and, after its abrogation, for the renewal of reciprocal relations on a fair and equitable basis.

On the other hand, from the time of the abrogation of the treaty of 1854 until the present, in no single case has the United States Government (a) either responded to the approaches made by Canada (b) or made any advance itself.

The Liberal-Conservative Government of Canada omits no opportunity of promoting and developing the best interests of Canada on a self-dependent basis, and at the same time avails itself of every opening to bring about a measure of honourable reciprocity with the United States.

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